Z/10 (10)
Town of Acton

Memo

To: The Board of Selectmen

From: John Murray

Date: February 7, 2003

Re: Financial Information and Reports

Free Cash – It was an interesting few days with DOR concerning the certification of Free Cash. On Monday we received a call from our DOR rep. with a verbal certification of Free Cash at \$1.1 million. Steve and Karen pointed out the error of his ways and convinced him that Free Cash should be certified at \$3.1 million. While our rep. agreed, he stated that he would need approval from his supervisor prior to giving Acton a verbal certification. On Wednesday

morning the supervisor called and provided us with our revised verbal certification at \$2.1 million. Once again Steve and Karen went to work and successfully negotiated a different verbal certification. We now have been informed that Acton's Free Cash has been verbally certified at \$3,358,663. Steve and Karen did a great job in negotiations.

2. Revenue Collections – Attached is a spreadsheet formatted to agree with the ALG Plan, which delineates our absolute collection position. Without comment the report may mislead the Board, rather than shed light on the subject. As such I have listed some points below, which are intended to clarify the report and add to the Board's understanding:

a. Property Tax Collections —Our average collection rate over the last two years is 99.6%. To-date our collection rate is 97.99%. The 1.6% differential represents \$497,000 to-date and \$662,944 at year-end. Two other factors need to be considered when evaluating the collection rate. A certain percentage of citizens settle their entire tax bill prior to December 31 for Federal and State tax purposes. I have not evaluated this year's experience vs. prior years.

b. Excise Tax Collections – The Town does not have an inventory of vehicles to determine the amount of excise tax due in any year. Further, Excise Tax is based on a deprecating basis based upon the age of the vehicle. The report indicates that we have collected in excess of \$435,969.08 to-date vs. a budget of \$2,725,000. The amount collected to-date represents collection of prior year taxes. These prior year taxes for the most part were not past due collections. In FY '02 we collected \$590,632 of prior year excise taxes.

We have just received from the Registry a set of billing information for FY '02 in the amount of \$51,257.55. Citizens will receive their first

notice of this tax in the next ten days. In addition, we received our first billing information of FY '03 in the amount of \$1,826,192.50. Again, these bills will be issued in the next ten days. The first billing tape for FY '02 was in the amount of \$1,835,967.50. While we see reductions vs. last year, it does not necessarily mean anything because we will not know what percentage of the total to be levied in FY '03 is represented by the first billing tape until next year at this time.

- c. Fees Fee collection unlike Property taxes is concentrated around three time periods. Licenses, such as your liquor and vehicle sale licenses are grouped around the first of the calendar year. Building fees are grouped around the construction season and Planning Fees tend to be generated in the off-construction season time period. Consequently we expect a majority of our fee income to be recognized prior to March 1 and this year is not different. This year we have collected 76.9%, while at the end of January last year we had collected 82%. If this trend was to continue we would experience a \$42,000 shortfall.
- d. Interest Income Unlike our other income streams interest income is normally distributed among the months. Six months of income has been booked (50%) vs. an actual collection rate of 39% this year. If the present trend was to continue, we would be short \$80,000 at the end of the year.
- e. State Aid We have collected 50% of the original Cherry Sheet amount. The State has informed the Town that it will apply the reduction of \$135,000 equally between the remaining two distributions.
- f. CPA Collections The total amount of CPA Surcharges to be billed in FY '03 is \$478,344.21. The amount billed to-date is \$239,200.92. Collections to-date amount to \$227,250.51, which represents a collection rate of 95%.

3. ALG Plan

- a. The attached ALG plan is in compliance with Mary Ann's spreadsheet.
- b. The School spending numbers should be considered final as a total but not as individual components.
- c. Free Cash contributions have been decreased to off-set the savings generated by the Minuteman Assessment being less than the estimate carried in prior iterations of the ALG Plan.
- d. FY '06 has been included tonight, I expect it will be deleted from the Plan due to the extreme volatility contained in a Plan attempting to forecast that far into the future in the current economic environment.
- e. The Board will notice small surpluses in each year. These surpluses were generated by a Minuteman assessment, which was less than the previously carried estimate. I expect that the surpluses will result in less Free Cash being applied in each year.
- Health Insurance rates have been set by the Trustees, after receiving quidance from representatives of the Board, the School Committees,

and the Finance Committee. Blue Cross will increase in FY '04 by 30%, Harvard by 22%, and Medex by 20%. The percentage rate increases accompanied by the absence of any premium holidays sum to the gross percentage increases that have been carried in previous ALG Plans.

- i. The current splits between the entities is based upon an assumption of gross increases of 51% in FY '04, 53% in FY '05 and 35% in FY '06.
 - 1. The parties have agreed to readjust budgets in all three years, for the effect of individual plans increasing at different rates. This means if the Town's expenditures based upon census counts would increase in any year less than the gross percentage increase and the Schools were to increase more, then the total amount allocated, then the Town's ALG allocation would be decreased and transferred to the Schools. The same would be applied to the decreasing the School allocation if the scenario was reversed.
- ii. As a point of information, I have attached segments of last year's Arbitration Decisions for Police and Fire concerning how the arbitrator's view of compensation affected his decision. Please note the same arbitrator wrote both decisions.

<u>Collection Report</u> <u>7/1/02 - 02/04/03</u>

	Budget	Collected thru 2- 04-03	Difference	% of Budget Collected thru 02-04-03
Local Aid (revised)	\$ 4,154,000.00	\$ 2,145,802.74	\$ 2,008,197.26	51.7%
Property Tax	\$ 41,920,976.00	\$ 30,847,891.48	\$ 11,073,084.52	73.6%
Motor Vehicle Excise	\$ 2,725,000.00	\$ 435,969.08	\$ 2,289,030.92	16.0%
Fees for Services	\$ 825,000.00	\$ 634,375.65	\$ 190,624.35	76.9%
Interest Income	\$ 400,000.00	\$ 157,282.51	\$ 242,717.49	39.3%
Total	\$ 50,024,976.00	\$ 34,221,321.46	\$ 15,803,654.54	68.4%

Plan Based upon FY'02 State Budget Chapter 70 Aid

ALG Estimation Worksheet
2/7/2003
Page 1 of 6
This Plan Contains Early Estimates of Highly Volatile Numbers, which are Subject to Change.
Also these Numbers are **NOT** Presented in the Legal Format Required by Town Meeting.

Numbers in Thousands											00 / 1	2
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	/¢16 003)	70%	(\$17.058)	%9	(\$16.876)	-1%	(\$19,151)	13%	(\$20,267)	%9	(121,151)	4%
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Total Over/(Short)	(\$0) n/a	n/a	\$812	n/a	\$227	n/a	\$36	n/a	\$52	n/a	<u>\$76</u>	n/a
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ALG Estimation Worksheet 2/7/2003

Page 2 of 6 This Plan Contains Early Estimates of Highly Volatile Numbers, which are Subject to Change. Also these Numbers are NOT Presented in the Legal Format Required by Town Meeting.

Revenues Property Taxes Previous Year's Levy \$ 2 1/2 % Growth \$ Net Debt Exclusions \$ New Growth \$ Proposed Override/Capacity Not Taxed \$	32,647											
Property Taxes Levy sions ide/Capacity Not Taxed	32,647							AAAAAAA				
Property Taxes Levy sions ide/Capacity Not Taxed	32,647				4							
Levy sions ide/Capacity Not Taxed	32,647											1
sions ide/Capacity Not Taxed	816	\$ 34,450	50 \$	36,235	↔	38,140	မာ	39,984	↔	44,758	છ	46,577
ions ide/Capacity Not Taxed	CIC	İ	861 \$	906	υ	954	မှ	1,000	ઝ	1,119	↔	1,164
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	986		-	666	မာ	890	↔	775	↔	200	₩	650
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Series Control of the	(200)	\$ (5)	(200)	(271)	မာ	(200)	↔	(200)	છ	(200)	မှာ	(200)
Net Tax Lew	34.922	37	51	40,874	မာ	41,424	છ	47,092	မှာ	50,073	↔	55,045
	A A STATE OF THE S					A DESCRIPTION OF THE PROPERTY						
Non-Tax Revenue						100000000000000000000000000000000000000				1000	•	7 0 40
Cherry Sheets (Detail on Sheet 2) \$	3,524	\$ 4,288	& & &	4,162	မာ	4,288	မာ	4,691	·A	4,667	A	4,043
Local School Choice Income						0	E	0	6	090 6	н	2 101
Motor Vehicle Excise Tax	2,285			2,716	A .	271,7	A 6	0,000	9 6	0,00	€	0, 14.
Municipal Fees for Services	1,331	\$ 1,331		1,586	မာ	825	€	872	A 6	678	A 6	070
Interest Income Town (w/o bond proceeds)			↔	524	မာ	400	မာ	400	9	400	A (400
Erse Cash Contribution (Detail on Sheet 3) \$	698	\$	282 \$	315	ઝ	1,925	ᡐ	1,187	↔	2,313	မာ	700
2	1		ക	460	မာ	1	ઝ	١	↔	1	မ	
Total Non-Property Tax Income \$	7,838	\$ 8,262		9,762	မာ	10,163	မာ	10,103	क	11,265	မာ	9,689
Total Income \$	42.760	\$ 45,913	13	50,637	₩	51,587	မာ	57,194	↔	61,338	မှာ	64,734

Plan Based upon FY'02 State Budget Chapter 70 Aid

ALG Estimation Worksheet 2/7/2003

Page 3 of 6
This Plan Contains Early Estimates of Highly Volatile Numbers, which are Subject to Change.
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Town Cherry Sheet			Revised per	Revised per		Revised per	
In Thousands of Dollars			Final Cherry	Final Cherry		Final Cherry	
The state of the s			Sheet	Sheet		Sheet	
	FY FY 00	FY 04	FY 02	FY 03	FY 04	FY 05	FY 06
Chanter 70	\$1.970	52.364	34 \$2,445	\$2,668	\$2,268	\$2,268	\$2,268
School Transportation	\$ 115	မာ	မာ	\$ 131	\$ 112	\$112	\$112
School Building Assistance Aid	0\$		\$0 \$0	\$0	\$1,086	\$1,086	\$1,086
Tuition of State Wards	\$14		\$0 80				The second secon
School unch	\$5	AA0.00000	\$2 \$10	\$11	\$10	\$10	\$10
High Growth Aid				\$	80	\$0	\$0
Total Education	\$2,105	5 \$2,484	34 \$2,601	\$2,811	\$3,476	\$3,476	\$3,476
) offers	\$ 1221	1.468	38 \$ 1.406	\$ 1,406	\$ 1,195	\$ 1,195	\$1,195
Addi Assistance		+		\$35	\$30	30	\$30
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Oliap Ol Gas Lax	•		- Linear Control Control	₩	\$67	\$ 67	\$67
Voteranie Benefite	\$4			\$1	8	₩	€
D T Tov Evernations	\$ 33	ь	မ	31	\$ 26	\$ 26	\$26
State Owned I and (PII OTs)	မ	φ.	φ.	\$43	\$37	\$ 37	\$37
Library Aid	\$32		\$32 \$30	\$26	\$22	\$ 22	\$22
Total Municipal	\$1,538	8 \$1,875	75 \$1,677	\$1,621	\$1,378	\$1,378	\$1,378
l acc Accaecmente	(\$83)		(\$37) (\$76)	(\$107)	89		(\$178)
Less Assessments	(\$32)			(\$26)	(\$22)	(\$22)	(\$22)
Less Dedicated School	(\$\$)		(\$2) (\$10)	(\$11)	(\$10)	(\$10)	(\$10)
Net Cherry Sheet	\$3,524	4 \$4,288	88 \$4,162	\$4,288	\$4,691	\$4,667	\$4,643

Plan Based upon FY'02 State Budget Chapter 70 Aid

ALG Estimation Worksheet
2/7/2003
Page 4 of 6
This Plan Contains Early Estimates of Highly Volatile Numbers, which are Subject to Change.
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Free Cash in Thousands of Dollars		And the second s							,	L	* 90 71
	FY00	FY 01		FY 02	FY 03	2	FY 04	FY 05	9	_	00
Codified Erro Coch (net)	1 956	\$	2.057 \$	2,247	မာ	3,603 \$	3,359	φ.	3,583	မာ	2,096
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Dedicated Abitrage Frayback NET Certified Free Cash (est)	TO THE PARTY OF TH			Charles and the control of the contr		3,453 \$	3,359	φ.	3,583	ss	2,096
Free Cash Offset To Minicinal Shanding	148	8	69	06	↔	φ.		es		€	1
Free Cast Office To House Orbinal Spanding	550	69	398	84	es	725 \$	•	eΑ		છ	
Free Cast Officet to A-R Regional Spending			392 \$	141	မှ	1,200 \$	2,000	8	2,000	S	•
Free Cash Offset to Other Expenditures											
ANALYSIA MARKATA MARKA		69	(208)								1
Total Free Cash Contribution	\$ 869	₩.	282 \$	315	မာ	1,925 \$	1,187	69	2,313	ь	00/
A AND THE RESIDENCE OF THE PROPERTY OF THE PRO		Louis Company					Mark to be designed as a second as a secon				
Free Cash Contribution as a % of Cert Balance	35.68%	13	13.72%	14.02%		53.44%	35.34%		64.55%		33.40%
of the preceding calendar year				400000			200000000000000000000000000000000000000				
Remaining Free Cash as a % of Expenditure	#VALUE!	8	3.87%	3.88%		3.27%	3.80%	9,	2.22%		2.28%
		A STATE OF THE STA									
REMAINING FC BAL		8	1,775 \$	1,932	69	1,678	\$ 2,172	ө	1,270	မာ	1,396
Total Exnanditures		\$	45,913 \$	49,825	89	51,587	\$ 57,159	မှ	57,194	es	61,286
ALGORITH ALG		- AAAAAAAAAAAAAAAAA					1		2		7077700
Remaining Free Cash as a % of Expenditures		3.866%	%9	3.877%	3.252%		3.7993%		0,177.7		7.7117.7
ALMINARY HARMAN BORRERS AND		Politic Committee Committe									
* Estimated Certified Free Cash is determined by the Fincom approved model of remaining balance times 1 65											

Plan Based upon FY'02 State Budget Chapter 70 Aid

ALG Estimation Worksheet

2/7/2003 Page 5 of 6 This Plan Contains Early Estimates of Highly Volatile Numbers, which are Subject to Change. Also these Numbers are NOT Presented in the Legal Format Required by Town Meeting.

Expenses in Thousands of Dollars	FY 00	FY 01	FY 02	FY 03	FY 04	4	, 05	FY 06
Citizen Petitions/Other	0\$	\$0		\$5	\$1	2	_	\$
		Application of the state of the			AND THE RESIDENCE OF THE PROPERTY OF THE PROPE	AMAZOTA AMAZOT	And we see that the second sec	
Municipal Gov't (Detail Separate Cover)						1		
Maintenance of Existing Programs and Staff	\$15,617	\$16,426	\$ 17,127	\$ 15,641	\$ 16,404	€9	17,216	212,81
New Programs and Staff	8	\$0				Listen and the second		And the second s
New Purchase & Replacement of Capital Items/Projects	\$0	\$0						
100 miles				\$ 1,235		& 	3,051	\$ 2,939
Con Dalicated Baseinte	(28)	(\$1,000)	(69)	ı ه	। छ			ا ج
Total Municipal Costs	\$14,640	\$15,426	\$17,058	\$16,876	\$19,151		\$20,267	\$21,151
				A DOCUMENT OF A DESCRIPTION OF A DESCRIP				
Educational Expenses				AN ADDRESS OF THE PROPERTY OF				AMPANON
Acton Public Schools (Detail Separate Cover)		Application of Applications of			ALL STORY OF THE S			
Maintanana of Existing Dragams and Staff	\$14.748	\$15,427	\$16,864	\$17,589	\$18,670		\$19,687	\$20,816
Maintenance of Existing Frograms and Own	\$0	\$398	0		A A A A A A A A A A A A A A A A A A A			22.00
New Flograms and Oranier of Capital Hams/Projects	80	0\$	\$331	\$100		\$0	ဝန္တ	9
New Fulcilase & Replacement of Capital Inchist 19000	80	80	\$	80		\$0	တ္တ	9
Debt	O#	\$0	\$0	80	\$0		80	80
Total APS Cost	\$14,748	\$15,825	\$17,195	\$17,689	\$18,670		\$19,687	\$20,816
A-B Regional Expense (Detail Separate Cover)							001	904 00
Assessment	\$11,961	\$13,386	\$14,703	\$16,018	\$18,553		\$Z0,508	921,020
	# 771	8609	\$ 870	\$ 772	\$ 784	₩	823	\$ 864
Minuteman Assessment	0.00	9						

Plan Based upon FY'02 State Budget **Chapter 70 Aid**

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A-B Regional School District		FY00-	FY00- revised		1			FY02	1	Actorie 64	Tobal	PY03	Rowbernich	Actor's %	Total	Acton	Borborough	Borborough Acton's %	Total	Acton		Boxborough Acton's %	Total	Acton Boxt	Boxborough Acton's %
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Operational Expenses	5 16,183 S	4	2	-	2 14 5.00	3 3.740	40.00	6 014 6 673 6	130	#2 G2 CB	\$ 768		vs	84.60%	•	4		#D!\\0;	. 69			#DIA/O			1
Transportation Expenses	1	2 8	870 5	8 8	1		9	2777	8		\$ 382	6	0	L.	59	٠,		#DIV\O		-		io/AlG#	,	207.0	5 5
Sped Transportation	\$ 241	1	197 S 44	1	1	-	5 6	000	200		£ 1 025	45	67	L	\$ 1.503	\$ 1.503	69	100.00%	\$ 2,372 \$	2,372	2	100.00%	5 3,421	3.42	35
Capital Debt Service		-		1	20/00/2	8 :	4 6	9 9	9 9		-1	\$ 221	8	1		69	49	#DIV/Oi		-		#Divo		-	Ž.
Other Debt Service				9	1	-	9 4	200	200			S	69	L.,	69	, 69	•								-
Capital Expenditures -Warrant Articles		Mark Carlotter Street		200	-		9 6	9												The state of the s		100 1100	,		404
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Deferral			5	40	so.	- 1	2000	40 a 20 a	0	91 44%	3 061 452	, a	10	80.83%	\$21.681	\$ 21,681		100.00%	\$23,567 \$	23,567	37 S	100,00%	\$25,745	\$ 25,745 \$	3
Gross Expenditure Budget	\$ 17.260 \$	14,138	8 3,120	5 19,004	a 16,382 a	7,027	947.44	00'01	5	1		ŀ		_									-	-	000
		-		ı	-	1		2020	9		6 2547	S 2 843			\$ 2,643	\$ 2.643		100.00%				0/\iQ#			#DV0
Chapter 70 Base Aid	\$ 2,378	3 \$ 1,842	2 \$ 435	\$ 2,740		2	7 7	2007 A	900		030/		·			9		i0/AIC#				:0/AiG#	9		*
Choloe/Charter Assessments		-		2	2	so	\$ (40	\$ (408) \$ (331) \$	4	0 0	9000	9 6	9	80.52%				io/AlG#				#DIV/O		- Control of the Control	בְּי
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							40				,	-		4	9 6	9 6		400.00%			3.050 S	100.00%	\$ 3,919	\$ 3,819 \$	100.00%
Total Revenue	\$ 3,089	9 8 2,548	18 \$ 540	\$ 3,606	\$ 2.076	\$ 630	\$ 4.374 \$	74 \$ 3.562	2 \$ 811	81.45%	\$ 4,296	3,488	808	821.18	9 3,120	9	9	2000							
	l i						1	-					6	700%, 00	610 553	£ 18 553		100 00%	\$20.508	\$ 20,508	9	100.00%	\$21,826 \$	\$ 21,826 \$	- 100.00%
Assessment & Warrant Art.	\$ 14,171 \$	3 11.6	11,961 \$ 2,855	\$16,278	\$16,278 \$13,386 \$ 2,892	\$ 2,892	\$18,05	\$18,055 \$14,703 \$ 3,352	3 \$ 3,352	81.43%	\$19,834	\$ 16,018	200		0000	9	•								-
					- 1		40.00%	767 0 84%	45 92%		-	8,94%	13.84%		-6.45%		15,83% -100.00%			10.54%	1% #DIV/0		6.43%	6.43% #DIV/O	io/
Spending & Inc. from Previous Year	6666		8.4.3	6/0.4	0.78:1	O. starte		1	1	-														-	

ALG Estimation viorishment
70,000
Page 80 P. Vodalle Nimbers which are Sulpied to Change.
Also these Numbers are NOT Presented in the Legal Formal Required by Town Meeting.



JOHN T. DUNLOP **CHAIRMAN**

The Commonwealth of Massachusett

Joint Labor - Management Committee

for Municipal Police and Fire

One Ashburton Place

Room 610

Boston, Massachusetts 02108

(617) 727-9690 FAX: (617) 727-5786

November 16, 2001

Richard H. Anderson, Jr., Chief Negotiator International Brotherhood of Police Officers 159 Burgin Parkway Quincy, MA 02169

Paul J. Hodnett, Esquire Kingston & Hodnett One McKinley Square **Boston, MA 02109**

RE:

Local 334, International Brotherhood of Police Officers And the Town of Acton JLMC-01-06P

To the Parties:

The Joint Labor-Management Committee has received and forwards copies of the Arbitration Award in the above-referenced matter. Upon receipt of the Award, the parties are encouraged to meet in order to exchange views on an appropriate joint statement or to share with one another any independent statements prior to public disclosure of the Award.

If you have any questions, please do not hesitate to contact the Committee.

Very truly yours,

James P. Costello

Senior Staff Representative

for Labor

Enclosure

J. T. Dunlop

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Chelmsford, Littleton, Boxborough, Carlisle and Westford should also be used for considering wages and benefits. The Union, on the other hand, also believes that the communities of Wilmington, Winchester and Burlington should be added.

There is no right or wrong answer in deciding which communities are in fact comparable. Comparability does not mean that the communities must be equivalent in each and every respect. There may be reasons to compare various conditions of employment that exist for Acton police officers with the police officers in a large number of municipalities. For example the facts may show that there is a consistent state-wide trend in working hours or shift schedules for police officers. Thus, a comparison with a large number of communities would be most relevant in this regard.

In the present case, the parties agreed to Concord, Stowe, Lincoln, Sudbury and Westford. This is a sufficient number of communities to consider wage trends. It should also be stated that even when considering the list of communities presented by both the Town and the Union this would not change the results of this Decision.

A review of the base wage rates shows:

Acton (with Quinn) \$36,757

There can be no question that the base wages of Acton

Police officer are lower than wages provided to police officers in neighboring communities. Wage rates alone, however, do not show the overall compensation paid to employees. Specifically, one must consider other economic benefits paid to employees. The most costly employee benefit is health insurance. The Town now pays 85% of the cost of health insurance premiums. There can be no question that with the Town paying 85% of the cost of this benefit, Acton police officers have a very desirable level of health insurance coverage, and a very good economic benefit. Employees' co-pay levels of health insurance in surrounding communities ranges from 50% to 75%. Therefore, although the wage rates for Acton police officers are the among the lowest in the region, the benefit of 85% employer paid health insurance makes up, to large extent, the low wage rates of Acton police officers. This demonstrates why simply looking at wages without considering other economic benefits does not provide an accurate picture of an officer's total compensation.

The recent wage adjustments in the communities is as follows:

Community	FY 01	FY 02	FY 03
Boxborough Burlington Carlisle Concord	5% 3% 2% 2.5%	4.6% 0% 3% 3.5%	2.5%
Lincoln Littleton Maynard	3.5% 3% 4%	3 % 4 %	
Stow Sudbury Westford	3 . 5% 2%+2% 4 . 6%	3.5%+\$40 STEP	3.5% 3%
Wilmington AVERAGE	2.5% 3.4%	3.5% 3.1%	3%

In addition the recent wage adjustments in the Town reflect on the Town's ability to pay. The wage adjustments for that period of time of Acton employees shows:



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RE:

C:

Town of Acton, and Local 1904, International Association of Fire Fighters JLMC01-06F

To the Parties:

In accordance with your joint request by letter dated February 7, 2002, enclosed please find a copy of Arbitrator Altman's response regarding clarification of the Arbitration Award in the above-referenced case. Very truly yours,

James P. Costello

Senior Staff Representative

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As the above chart shows, there can be no question that the base wages of Acton Firefighters are lower than the wages provided to firefighters in neighboring communities. Wage rates alone, however, do not show the overall compensation paid to employees. The parties disagree as to the significance of health insurance and overtime when assessing the overall compensation of Acton Firefighters. The Town maintains that when overtime opportunities and the employees' share of health insurance are considered, the total compensation of Acton Firefighters is among the highest in the region. The Union, on the other hand contends that overtime is not a guaranteed benefit and should not be considered when comparing wages and benefits. In addition the Union states that what should be considered is the low health insurance premium rates paid by the Town and not the co-pay levels paid by employees, when considering the compensation levels of Acton Firefighters.

The panel agrees that overtime opportunities should not be considered when considering the total compensation of Acton Firefighters. Overtime is not within the standard work week of employees. It is a variable that is based entirely on the Town's discretion, unlike wages and benefits. Moreover, it is based on the staffing levels of the department, which could change at any point in time. Moreover, it is difficult to compare overtime opportunities in different communities, as each community has different overtime policies based on the needs of the particular community.

Employee co-payment amounts for health insurance are, however, an important component in determining the overall compensation of employees. The focus should be on the employee's compensation levels. The lower the cost of health insurance co-pay levels for an employee means that the employee will have more money in his or her pocket; that is, increased take home pay. Stated in other words, large co-payments will decrease the overall earnings of an employee as more money is deducted from the employee's wages to pay for this benefit.

At the present time Acton Firefighters paying only 10% toward the cost of health insurance pay an average of \$691.00 per year (FY-2000). This compares with the thousands of dollars paid by firefighters in the surrounding communities. Thus, as was the case with Acton Police, the lower base wages paid to Acton Firefighters is in large part made up by the low health insurance co-pay levels paid by employees.

The wage adjustments for that period of time for Acton public employees shows:

	FY 01	FY 02	FY 03
Municipal Non-Union	3%	38	
Highway	3%	4%	3.5%
Schools	3%	3₺	3.5%
Police Arbitration Award	3%	4%	3.5%

The question that must be addressed is whether there is some compelling justification to award a different wage increase than was recently awarded in the Police Arbitration and agreed to with Town's highway employees. It was stated in the Police Arbitration Decision:

The data further shows that over the years there has not been exact parity in wage increases for all Acton public employees. Nonetheless, although there has not been exact parity, for bargaining units there has been relative similarity in overall wage settlements over the last four years.

The Town's proposal of 2.75% over a three year time period is considerably lower than was agreed to with the other Town Unions; is lower than was recently awarded in the Police Arbitration and is lower than the pattern of wage settlements in the above list of comparable communities over the same time period. Similarly, the Union's revised proposal of 4.5% is higher than was agreed to with the other Town Unions, it is higher than was recently awarded in the Police Arbitration and is higher than the pattern of wage settlements in the above